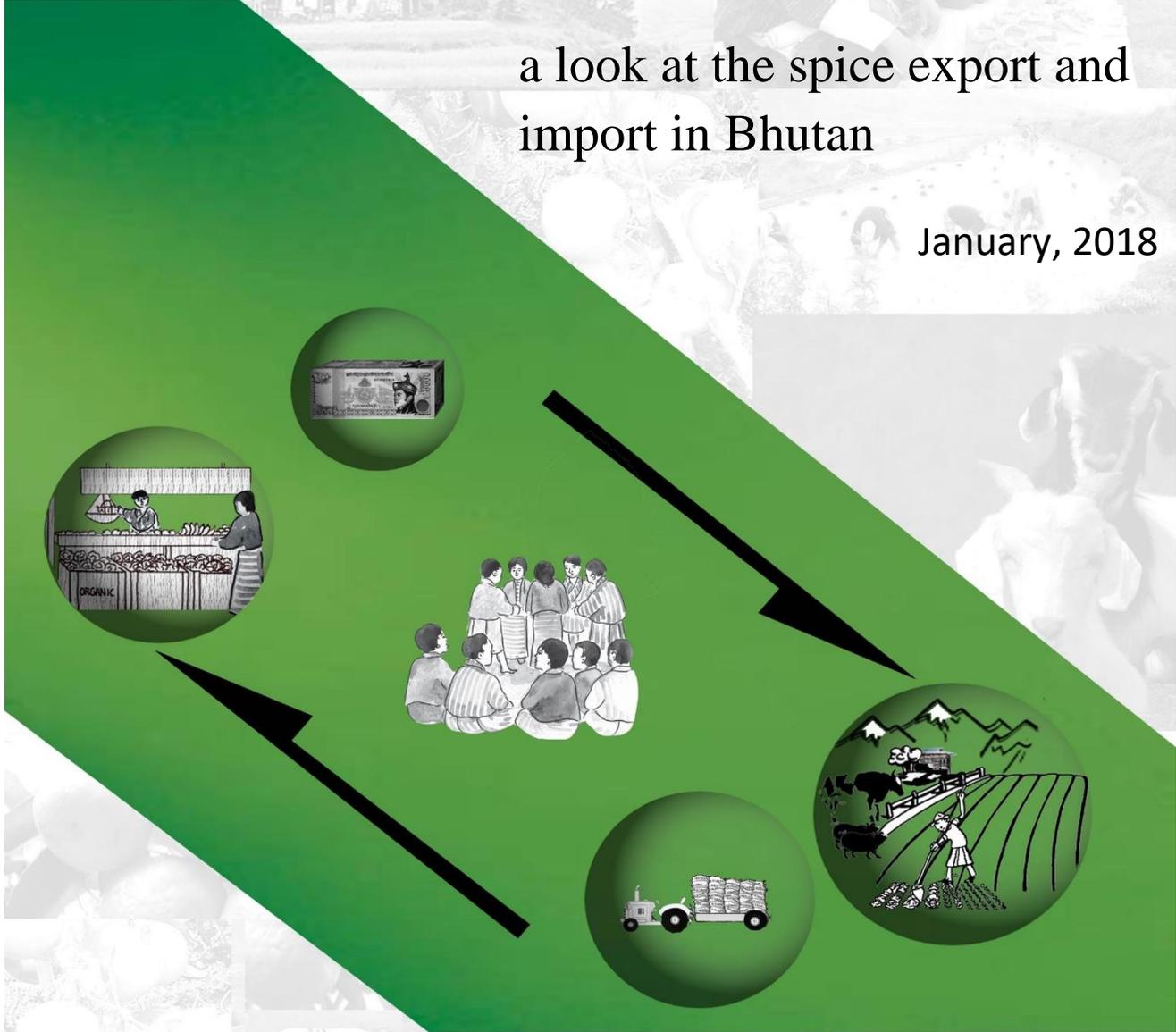




a look at the spice export and import in Bhutan

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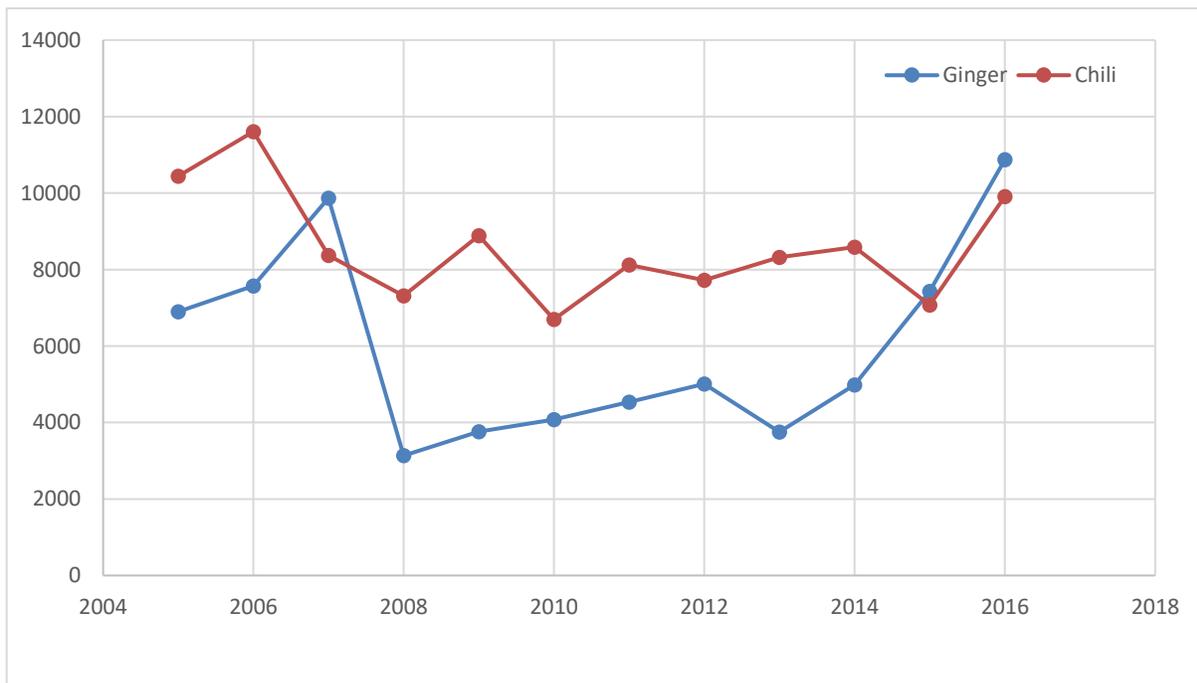
1. Introduction

Spices are the aromatic parts of tropical plants traditionally used to flavor food or dried seeds or fruit of temperate plants used in the same way. Some of the substances we call spices come from the bark or roots of certain plants, but the majority are berries, seeds or dried fruits. Spices, particularly chili, ginger and garlic are very important part of the Bhutanese diet, while cardamom is a valuable export commodity. The use of spices such as onion and turmeric in Bhutanese kitchens has also been increasing over the years.

2. Production

Chili is by far the most ubiquitous spice used in Bhutanese cuisine and abundantly produced in Bhutan. Over the year, production has remained more or less constant though there was slight decreasing trend from 2006 till 2008. Ginger production has gradually picked up from 2008 onwards, with the highest volume being recorded in 2016 (Figure I).

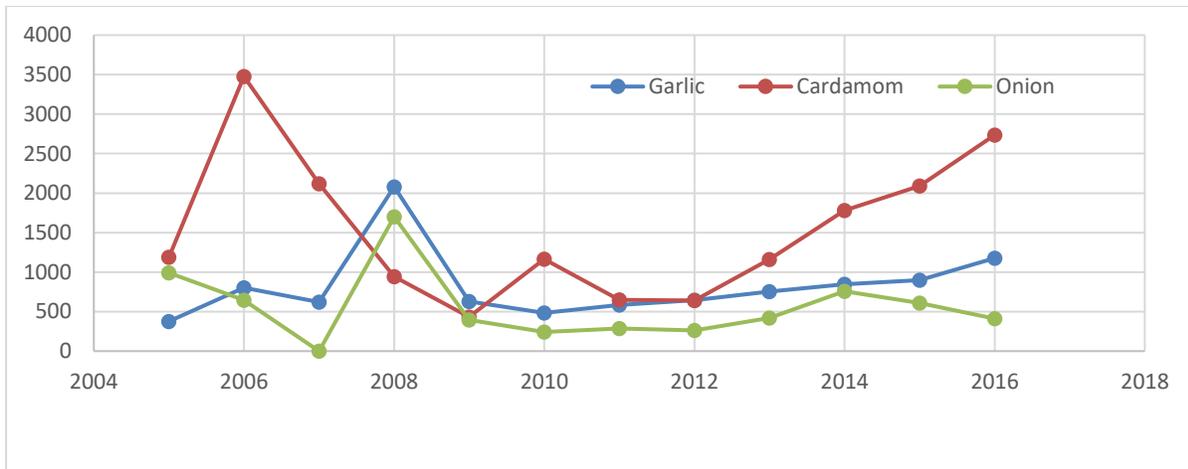
Figure I: Production of chili and ginger (MT) [2005 - 2016]



Source: DoA, MoAF

Cardamom production has fluctuated between 2004 and 2011, though after that the rise has been steady, though the peak production was recorded in 2006. Garlic and onion production on the other hand has remained fairly constant from 2009 onwards (Figure II).

Figure II: Production of cardamom, garlic and onion (MT) [2005 - 2016]



Source: DoA, MoAF

3. Export and Import

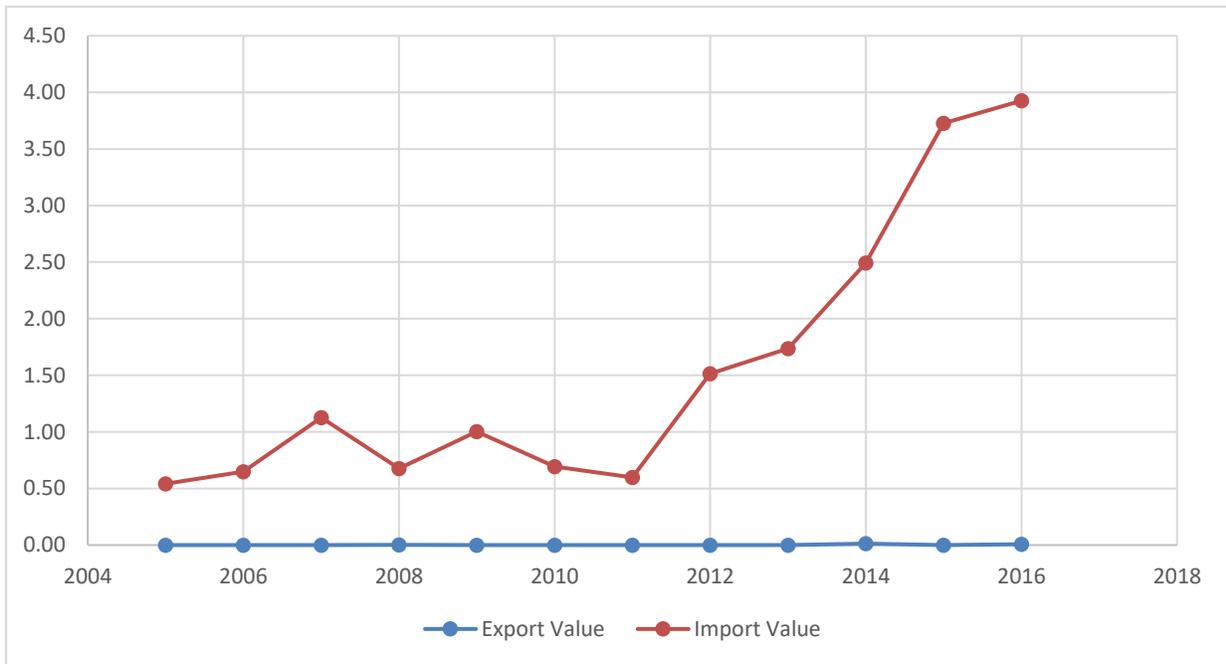
There was no turmeric export from Bhutan before 2012, but there were minimal exports in the years 2012, 2014, 2015 and 2016. On the other hand, import has been increasing steadily from 2006 onwards, indicating increasing local demand. For some reason, export has declined in 2016 (Figure III). Likewise, import of garlic has also been increasing steadily (Figure IV).

Figure III: Export and import of turmeric (m Nu.) [2005 - 2016]



Source: BTS, MoF

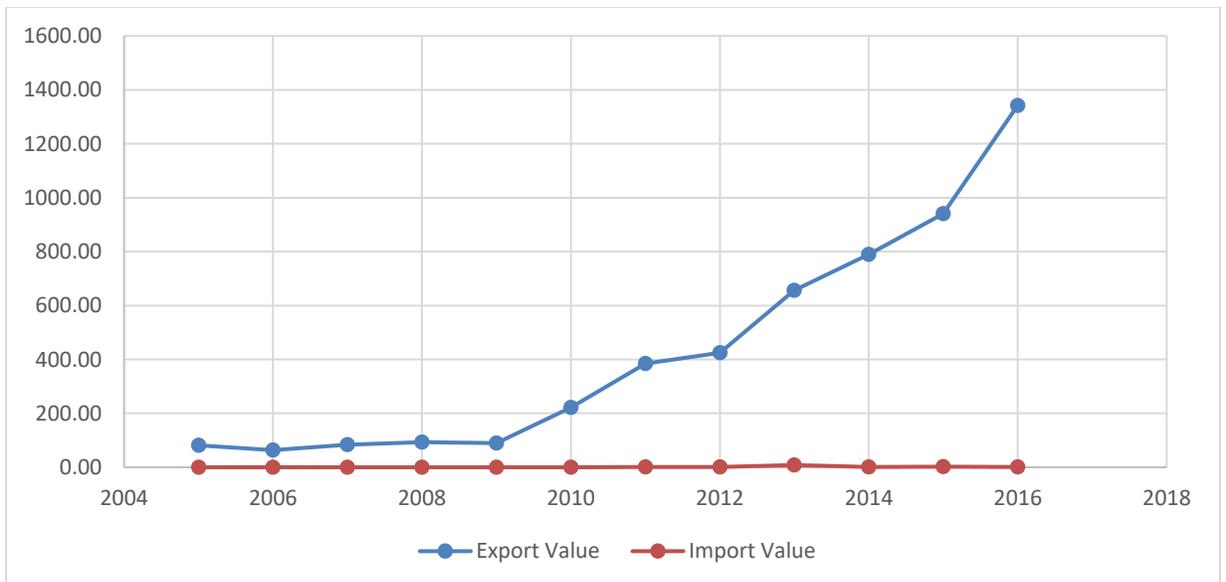
Figure IV: Export and import of garlic (m Nu.) [2005 – 2016]



Source: BTS, MoF

Cardamom and ginger are important export commodities. The value of export of both commodities have been increasing steadily over the years while import has been negligible (Figure V & VI).

Figure V: Export and import of cardamom (m Nu.) [2005 – 2016]



Source: BTS, MoF

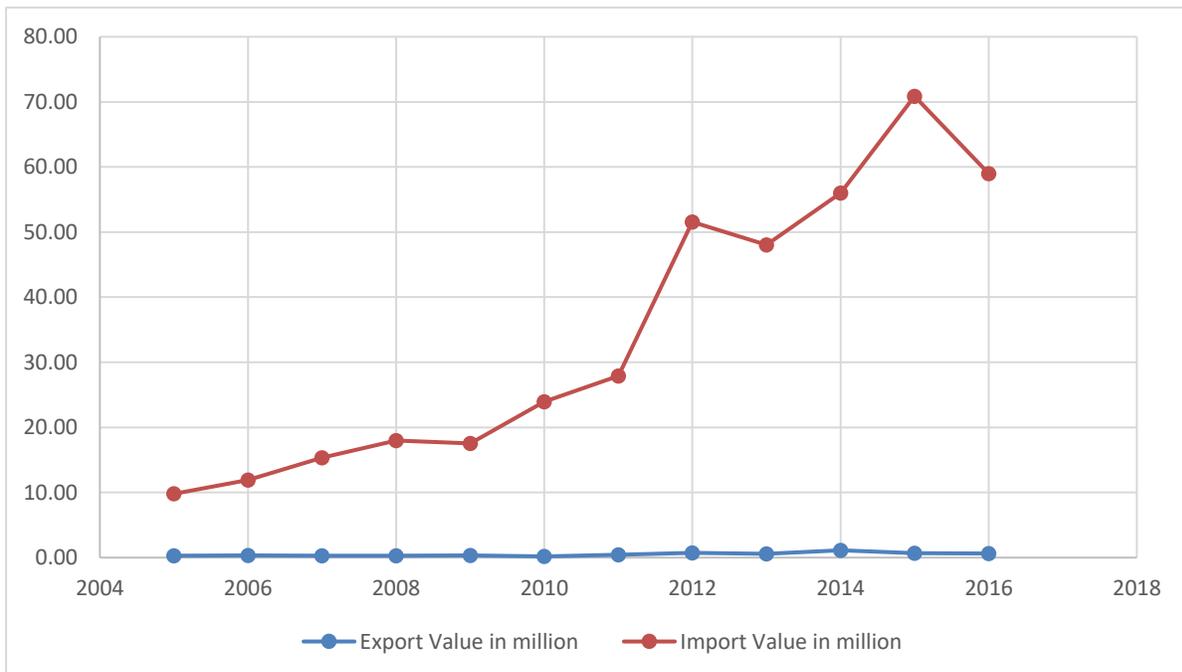
Figure VI Export and import of ginger (m Nu.) [2005 – 2016]



Source: BTS, MoF

While chili is an important spice for the Bhutanese and agro-climatic conditions are suited to produce good quality chili especially in the summer, import has been rising steadily, while export has remained stagnant (Figure VII).

Figure VII: Export and import of chili (m Nu.) [2005 – 2016]



Source: BTS, MoF

Similarly, the import of onion has been increasing steadily over the years, while there is hardly any export.

Figure VIII: Export and import of onion (m Nu.) [2005 – 2016]

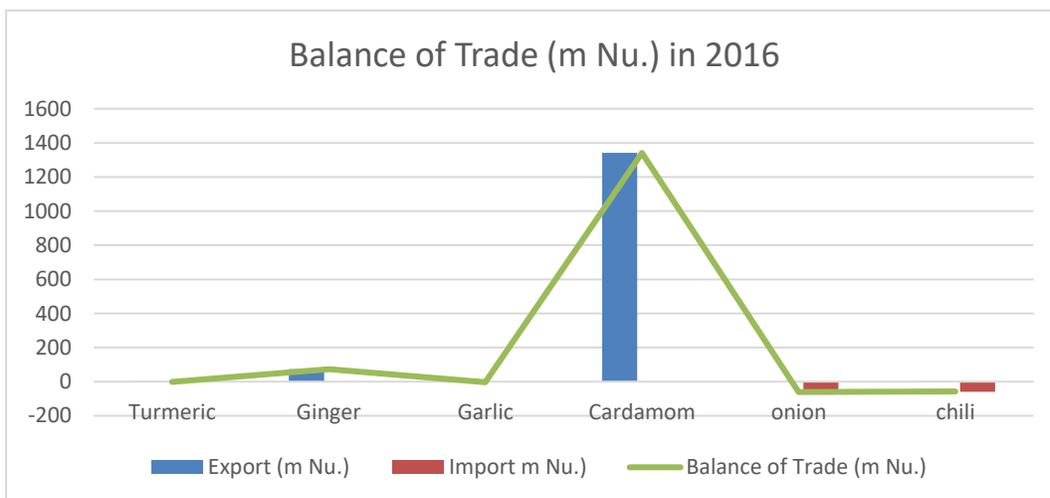


Source: BTS, MoF

4. Balance of Trade

Apart from cardamom and ginger, Bhutan imports more than it exports, thereby indicating domestic market potential, if the right variety can be grown economically. Furthermore, the export potential of cardamom and ginger is not fully realized. Past studies and reports have indicated encouraging export market opportunity; again provided the required variety, quality and volume can be fulfilled.

Figure IX: Balance of Trade of the five important spices in 2016 (m Nu.)



Source: BTS, MoF

5. Conclusion

With the rise in population along with the increase in expatriate community number and increasing tourist arrivals in the country, the demand for spices is expected to grow in the future, thereby providing good business opportunity for Bhutanese growers.

Spices production apart from cardamom has remained minor in Bhutan. Most of these are produced on small land-holdings and large-scale commercial operations are almost non-existent. Each crop has its own set of production challenges.

Even for crops such as chili which has been grown in Bhutan since time immemorial, production is limited only to certain seasons and research and investment in off-season production has started only recently. As a result, Bhutan has been depending on Indian chili in winter, up until the import embargo due to over-the-limit pesticide residue on the green chili.

For produce such as bulb onions and turmeric powder, apart from inadequate production skills, knowledge and facility for proper post-harvest operation such as curing and drying, and grading could be limiting factors. Turmeric is most commonly sold and traded in powdered forms, while onions need to be properly cured for durability while marketing.

Local ginger are extremely fibrous and the quality found in the market is inferior as compared to imported ginger; and due attention is required, if the locally grown ginger is to replace import and export is to be enhanced.

Thus, more research and development and promotion of spice production needs to be encouraged by the government. Spices are valuable commodities and would be more profitable per acre of land basis when compared to many other crops currently grown.